



# City of Seattle

Edward B. Murray, Mayor

**Seattle Department of Human Resources**  
Susan L. Coskey, Director

July 15, 2016

**Re: Submit One-Time Deferred Compensation Contribution Form  
by August 5, 2016**

Dear City Employee:

You are receiving this letter because you are in an employee group that is receiving retroactive pay on the August 19, 2016 paycheck as a result of the 2015 and 2016 annual wage adjustments. If you receive retroactive pay (this includes non-active individuals), you may contribute all or part of this retroactive amount into your City of Seattle Deferred Compensation Plan account\*.

To make this one-time contribution, please submit the enclosed form by **5:00 pm on Friday, August 5** to the Seattle Department of Human Resources – Deferred Compensation Unit. Please use the contact information listed at the bottom of the enclosed form.

If you *do not* want to participate in the one-time contribution,  
**no action** is required.

For some Frequently Asked Questions (FAQs) and contact information, please see the back of this letter. Additional FAQs and an electronic version of the form are posted on the InWeb at <http://personnelweb/benefits/retirement/deferredcomp.aspx> and PAN at <http://www.seattle.gov/personnel/benefits/retirement/deferredcomp.asp>.

Sincerely,

A handwritten signature in cursive script, appearing to read "Renee Freiboth".

Renee Freiboth  
Benefits Manager

Enclosure

\*All City employees have a Deferred Compensation Plan account regardless of whether they currently participate or not. To access your account, go to [www.cityofseattledeferredcomp.com](http://www.cityofseattledeferredcomp.com) and select the "Access your Account" button.





## Deferred Compensation: One-Time Contribution for Retroactive Wages FAQs

**Q. I don't currently contribute to the City's Deferred Compensation Plan. Can I still do this?**

A. Yes, all City employees may contribute to the City's Deferred Compensation Plan, and have a Deferred Compensation Plan account regardless of whether they currently participate. For account access, visit the City's Deferred Compensation Plan website at [www.cityofseattledeferredcomp.com](http://www.cityofseattledeferredcomp.com); select the "Access your Account" button.

**Q. I want to contribute some or all of my retroactive pay. How do I do this?**

A. Complete the attached form and turn it into the Seattle Department of Human Resources – Deferred Compensation Unit **no later than Friday, August 5, 2016 by 5:00 PM** via mail, inter-department mail, fax, or email as indicated on the form (email is preferred).

**Q. What will happen to my biweekly Deferred Compensation deduction after my retroactive pay is paid?**

A. Your bi-weekly deduction will still occur on the August 19 paycheck; the one-time retroactive pay contribution is **in addition to** this amount. After the retroactive pay is paid on August 19, 2016, your prior standard biweekly contribution to the City's Deferred Compensation Plan will continue.

**Q. The form requires a dollar amount. Can I simply put a percentage or state "all"?**

A. No, the extra contribution under this retroactive pay option **must be** expressed in a dollar amount. It is the only allowable choice under the Deferred Compensation Plan.

**Q. How do I find out how much my retroactive pay is?**

A. For most employees, your estimated retroactive pay will be about 2% of your 2015 gross income -- from your 2015 W-2 -- minus the SCERS retirement deduction of 10.03% (if applicable), FICA tax of 7.65%, and Federal Tax of 25%. (Your 2015 gross income could be overstated if you have imputed income for 2015.) Your department's Payroll representative can provide further guidance on your retroactive pay amount.

**Q. Will the dollar amount on the retroactive pay election form supersede my current biweekly deduction to the City's Deferred Compensation Plan?**

A. No, the dollar amount listed on the form is **in addition to** your standard biweekly contribution. Also, if you select an amount in excess of your retroactive pay, the amount selected, **in addition to**, your standard contribution will be deducted.

**Q. How much can I contribute to the City's Deferred Compensation Plan in 2016?**

A. The maximum amount employees are eligible to contribute to the Plan for 2016 is \$18,000. If you will be at least 50 years of age by the end of the calendar year, you may contribute an **additional** \$6,000 under the Age 50+ Catch-up option for a total of \$24,000. All contributions made during the year, which includes this one-time contribution, will count toward the 2016 IRS limit.

**Q. I contacted Prudential, but they don't know anything about this option. Why?**

A. Prudential Retirement does not handle the City's one-time retroactive pay contribution option, and they will not be able to answer questions about it. Please send any questions to [deferredcompquestions@seattle.gov](mailto:deferredcompquestions@seattle.gov)



## Authorization of One-Time Only Contribution into My Deferred Compensation Account

**Please complete form in its entirety and return to  
Seattle Department of Human Resources on or before 8/5/2016**

_____ Last Name	_____ First Name	_____ M.I.
_____ 8 Digit Employee ID Number (not serial number)	_____ ORG Number	_____ Day Phone

In compliance with the Internal Revenue Code, I authorize a one-time contribution of my retroactive pay on August 19, 2016 to my account in the City of Seattle Voluntary Deferred Compensation Plan. This contribution will be administered recognizing the following rules:

- The maximum amount I am eligible to defer under the contribution limit for 2016 is \$18,000. If I am at least 50 by the end of the calendar year, I am eligible to contribute an additional \$6,000 under the Age 50+ Catch-up option for a total of \$24,000. If I am participating in the Last Three Year Special Catch-up option, my limit has been calculated by Deferred Compensation staff.
- Contributions made year-to-date from my paychecks, as well as this one-time contribution, will be counted toward my 2016 limit. Any amount that would bring my deferral above the applicable IRS limit must be issued as taxable wages.
- Following the one-time contribution of retroactive pay on August 19, 2016, my deferred compensation contributions will resume at the rate used prior to the one-time contribution until my 2016 contribution limit is reached.

I authorize the City of Seattle to initiate a one-time contribution from my August 19, 2016 retroactive pay adjustment as indicated below:

\$ \_\_\_\_\_ on pay day August 19, 2016 (**Specific dollar amount must be noted.**)

*I understand that the amount listed is in addition to my standard contribution on that pay date and that if I have selected an amount in excess of my retroactive pay, the amount elected, in addition to my standard contribution, will be deducted.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

I understand if I choose not to contribute my retroactive pay into the Deferred Compensation Plan, I will receive my entire retroactive pay on my August 19, 2016 paycheck as taxable income.

**You can U.S. mail, inter-department mail, fax or email your completed form; however, the form must be received by SDHR on or before August 5, 2016 by 5:00 PM PT to allow a one-time contribution into your Deferred Compensation account.**

**City of Seattle, Seattle Department of Human Resources - Deferred Compensation Unit,  
P.O. Box 34028, Mail Stop SMT 55-01, Seattle, WA 98124-4028**

**Fax: (206) 615-0202**

**Email: Deferredcompquestions@seattle.gov**